

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

INTERNATIONAL ENTERTAINMENT CORPORATION

國際娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8118)

CONTINUING CONNECTED TRANSACTIONS

On 24 February 2005, Future Growth Limited, a wholly-owned subsidiary of the Company, has entered into a tenancy agreement with New World Tower Company Limited, a connected person (as defined in the GEM Listing Rules), for the lease of certain premises in New World Tower in Hong Kong. The maximum aggregate annual value of the transactions (including the rent, air-conditioning charges and management charges) under the tenancy agreement is approximately HK\$481,092.

As at the date of this announcement, Mediastar International Limited is the substantial shareholder of the Company holding approximately 50.88% of the issued share capital of the Company. Mediastar International Limited is wholly-owned by Chow Tai Fook Enterprises Limited.

New World Tower Company Limited is a wholly-owned subsidiary of New World Development Company Limited, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited, and Chow Tai Fook Enterprises Limited and its subsidiaries have an aggregate of approximately 35.33% of interests in the share capital of New World Development Company Limited as at the date of this announcement. Therefore, New World Tower Company Limited is an associate (has the same meaning ascribed thereto under the GEM Listing Rules) of Chow Tai Fook Enterprises Limited. Accordingly, New World Tower Company Limited is a connected person of the Company under the GEM Listing Rules and the entering into of the Tenancy Agreement constitutes continuing connected transactions of the Company under chapter 20 of the GEM Listing Rules.

As announced by the Company on 10 August 2004, Future Growth Limited entered into a tenancy agreement with New World Tower Company Limited for the lease of premises in New World Tower in Hong Kong. The maximum aggregate annual rental (including the air-conditioning charges and management charges) under the tenancy agreement is approximately HK\$522,288.

Therefore, the total maximum aggregate annual value of the transactions pursuant to the Tenancy Agreement and the tenancy agreement entered into by Future Growth Limited on 10 August 2004 is approximately HK\$1,003,380.

As the Total Cap is less than 25 per cent of the applicable percentage ratios of the Company as specified in rule 19.07 of the GEM Listing Rules and is less than HK\$10 million, under rule 20.34 of the GEM Listing Rules, the transactions are therefore subject to the reporting and announcement requirements set out in rules 20.45 to 20.47 of the GEM Listing Rules and is exempt from the independent shareholders' approval requirements. The Company is required to publish this announcement and include the details of the Tenancy Agreement in the next published annual report and accounts of the Company.

The board of directors (the “Board”) of International Entertainment Corporation (the “Company”) announces that on 24 February 2005, Future Growth Limited, a wholly-owned subsidiary of the Company, has entered into a tenancy agreement (the “Tenancy Agreement”) with a connected person as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), details of which are set out as follows:–

Landlord	: New World Tower Company Limited, a wholly-owned subsidiary of New World Development Company Limited
Tenant	: Future Growth Limited, a wholly-owned subsidiary of the Company
Premises	: Rooms 1504-5, 15th Floor, New World Tower, Nos. 16-18 Queen’s Road Central, Hong Kong. The total gross floor area rented is approximately 1,706 square feet.
Lease Term	: one year three months and nine days commencing from 15 February 2005 to 23 May 2006 (both dates inclusive)
Rent	: HK\$34,120 per month (exclusive of air-conditioning charges, management charges and government rates)
Air-conditioning charges	: HK\$4,265 per month
Management charges	: HK\$1,706 per month

The maximum aggregate annual value of the transactions (including the rent, air-conditioning charges and management charges) under the Tenancy Agreement (the “Cap”) is approximately HK\$481,092.

The rent (including the air-conditioning charges and management charges) were determined by reference to open market rent of office units of similar size and location (including the office units in the same building). The Directors (including the independent non-executive Directors) consider that the terms of the Tenancy Agreement were negotiated on an arm’s length basis and were entered into on normal commercial terms (terms no less favourable to Future Growth Limited than terms available to independent third parties) and in the ordinary and usual course of business of the Company and its subsidiaries (collectively the “Group”) and the terms and the Cap are fair and reasonable and in the interests of the shareholders of the Company as a whole.

REASON FOR ENTERING INTO THE TENANCY AGREEMENT

The Group entered into the Tenancy Agreement for the lease of further office space resulting from increase in number of employees as a result of further steps taken by the Group into the media/entertainment industry.

CONTINUING CONNECTED TRANSACTIONS

As at the date of this announcement, Mediastar International Limited is the substantial shareholder of the Company holding approximately 50.88% of the issued share capital of the Company. Mediastar International Limited is wholly-owned by Chow Tai Fook Enterprises Limited.

New World Tower Company Limited is a wholly-owned subsidiary of New World Development Company Limited, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited, and Chow Tai Fook Enterprises Limited and its subsidiaries have an aggregate of approximately 35.33% of interests in the share capital of New World Development Company Limited as at the date of this announcement. Therefore, New World Tower Company Limited is an associate (has the same meaning ascribed thereto under the GEM Listing Rules) of Chow Tai Fook Enterprises Limited. Accordingly, New World Tower Company Limited is a connected person of the Company under the GEM Listing Rules and the entering into of the Tenancy Agreement constitutes continuing connected transaction of the Company under chapter 20 of the GEM Listing Rules.

As announced by the Company on 10 August 2004, Future Growth Limited entered into a tenancy agreement with New World Tower Company Limited for the lease of premises in New World Tower in Hong Kong. The maximum aggregate annual rental (including the air-conditioning charges and management charges) under the tenancy agreement is approximately HK\$522,288.

Therefore, the total maximum aggregate annual value of the transactions pursuant to the Tenancy Agreement and the tenancy agreement entered into by Future Growth Limited on 10 August 2004 (the “Total Cap”) is approximately HK\$1,003,380.

As the Total Cap is less than 25 per cent of the applicable percentage ratios of the Company as specified in rule 19.07 of the GEM Listing Rules and is less than HK\$10 million, under rule 20.34 of the GEM Listing Rules, the transactions are therefore subject to the reporting and announcement requirements set out in rules 20.45 to 20.47 of the GEM Listing Rules and is exempt from the independent shareholders’ approval requirements. The Company is required to publish this announcement and include the details of the Tenancy Agreement in the next published annual report and accounts of the Company.

GENERAL

The principal activities of the Group are the provision of project services, network solutions, application solutions, technology project and multimedia services, and the acquisition, financing, production and worldwide licensing of theatrical feature films in a variety of genres.

The principal activity of New World Tower Company Limited is property investment.

By order of the Board
Kwok Chi Kin
Company Secretary

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Cheng Kar Shun (*Chairman*)

Lo Lin Shing, Simon

Choi Wing Kin

So Kam Wing

Non-executive Director:

Wu Wing Kin

Independent Non-executive Directors:

Cheung Hon Kit

Kwee Chong Kok, Michael

Wong Chi Keung

Hong Kong, 24 February 2005

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain at www.hkgem.com on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Company at www.cyberonair.com.